THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) to (c) During the period April, 1994-February, 1995, the Government run, coal-based power plants generated 1,95,160 MU (Million Units) of power, which was 61.2 per cent of the total power generated in the country. Power generated from other sources during the same period was as under:—

Gas-fired plants	18096 MU
Oil-fired plants	1301 MU
Multi-fuel plants	7097 MU
Lignite-based plants	10120 MU
Nuclear plants	5023 MU
Hydro plants	76379 MU
	118016 MU

Although the country has potential for generation of power from non-conventional energy sources, such as wind power, small hydro, bio-energy, solar energy etc., generation of grid quality power from them at present is insignificant.

The danger to environment from coal-based power plants is minimised through retrofitting, upgradation of Electrostatic precipitators and installation of such other pollution control system as are needed to comply with the prescribed pollution control standards.

Foreign Capital in Indian Private Sector power plants

317. SHRI JAGIR SINGH DARD:
DR. SHRIKANT RAM CHANDRA JICHKAR:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that foreign companies after entering into collaboration with Indian partners, instead of bringing in foreign capital, float public issues in the Indian capital market and raise capital for private sector power plants;

(b) what is the specific policy of Government in this regard; and

(c) what is being done to attract foreign capital in the Indian private sector power generation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) and (b) The policy to encourage private sector investment in the power sector inter-alia stipulates that atleast 20% of the project cost should be financed through equity and the promoters contribution should be atleast 11% of the project cost. Raising of equity through public issue is allowed beyond 11% of the promoters contribution. In case of raising debt by foreign investors, it may mentioned that the investors prefer raising it from international market rather than Indian capital market in view of the high interest of rates prevailing in the Indian capital market. Moreover the financial package for the private power projects has to be approved by the Central Electricity Authority and the promoters are not permitted to deviate from the approved financial package without prior permission.

(c) In the context of paucity of resources with Central/State PSUs and SEBs and to bridge the gap between the rapidly growing demand for electricity and supply, a policy to encourage greater investments by private enterprises in the power sector with the objective of mobilising additional resources for capacity addition in power generation and distribution, had been formulated in 1991 and is currently under implementation. The response to Government of India's policy has been encouraging.